

through out the state. I don't believe that it creates a problem.

SENATOR STULL: OK, now may I continue with the other two questions?

PRESIDENT: Senator Stull.

SENATOR STULL: The second question is that I think in the bill that we have before us in the last session the higher the school expenses of a district would go the more state aid they would receive. Is that same thing true in this bill?

SENATOR WARNER: No, the concept is different, and that was true in LB1377 but this bill stops at the level of insured need as far as state support is concerned and above that point is a local obligation totally in other sources of revenue that they have.

SENATOR STULL: OK, now the other question is what would be the increase in sales and income tax rates to finance this bill?

SENATOR WARNER: As far as our staff using revenue projections from the department of revenue and implementing the bill January 1, 1974 as it is now written there would be a 1% increase in sales taxes and a 5% increase in income tax and a cash flow projection with the limitations in the bill would carry those rates would carry through easily through 1976 calendar year and it is possible depending upon what growth occurs in sales and income tax at those same rates would carry through 1977, but to project even that far gets a little hazardous because it depends upon the economy to a very high degree.

SENATOR STULL: OK, thank you Senator Warner and I would like to say that I think the committee has the ...has eliminated some of the problems that we have had in bills dealing with state aid to education before and it is my intention to support this bill as it goes off of General File. Thank you.

PRESIDENT: Next to speak is Senator Whitney, but before I yield the floor to him the floor would like to recognize the presence of 30 3rd and 4th grade students here from Nehawka Nebraska. They are from Senator Cal Carstens district and they are seated there in the north balcony. We are delighted to have you here today. We had quite a few school groups through here and we didn't even get them all announced but we are glad to have you here visiting. Alright Senator Whitney.

SENATOR WHITNEY: Mr. President, members of the legislature, I want to thank you for this opportunity to speak again, but the point was made that this is going to help all school districts in the state and it is not. My people in the majority of my school districts are going to be paying sales income tax like everybody else and they are going to receive only pennies back in relation to what they should be receiving. Now there is a philosophy in this state that if there is tangible property in the legislative district then those people are wealthy, but the statistics show that in the United States as a whole the average farmers and a...a...the average farmer is in debt about 25,000 dollars. In Nebraska I would put that at at least \$35,000 to \$40,000 per farmer. The statistics in the United States show that the average home owner is in debt about \$5,000 to \$7,000. Now the point is that they are not wealthy people because they have so many debts. In the sparsely settled areas in the state you have to have

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